

BY THE NUMBERS:

Summary of True Rate of Unemployment
For the Month of **February 2021**

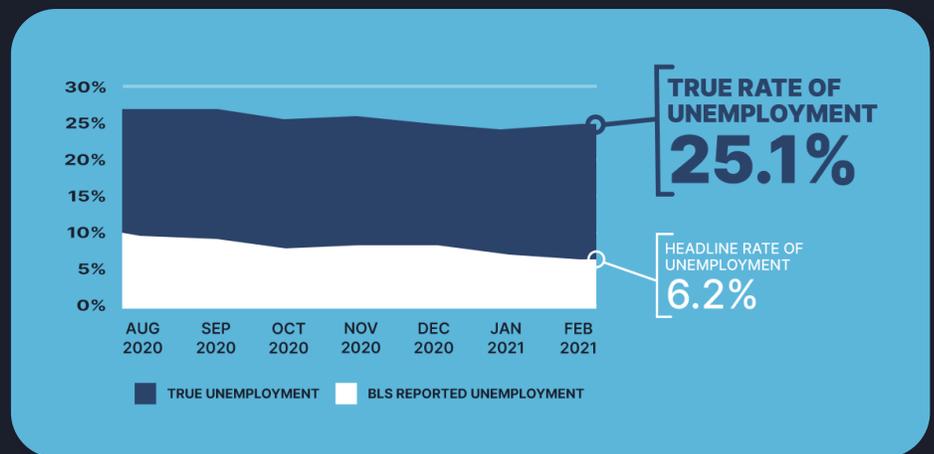


Ludwig Institute for Shared Economic Prosperity

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OVERVIEW:

The Ludwig Institute for Shared Economic Prosperity (LISEP) has issued its monthly True Rate of Unemployment (TRU) for February 2021. The TRU, which measures the rate of “functionally unemployed” Americans, stands at 25.1% for the month of February. This is an increase of 0.7 percentage points over the January rate. TRU measures the percentage of the U.S. labor force that is functionally unemployed by using data compiled by the U.S. Bureau of Labor Statistics (BLS), tracking the percentage of the U.S. labor force that is unemployed, desires but cannot secure full-time employment (35 or more hours a week), or is working a job with wages below poverty level, defined as \$20,000 annually before taxes. A summary for February follows.



KEY TAKEAWAYS:

- **The overall True Rate of Unemployment worsened from January to February**, climbing from 24.4% to 25.1%, a 0.7 point increase. This contradicts the trend indicated by the government report released by the U.S. Bureau of Labor Statistics (BLS), where the unemployment rate decreased, from 6.3% in January to 6.2% in February.
- **The contradictory trends in the TRU versus the BLS report** indicates previously discouraged workers are reentering the workforce but unable to find living-wage jobs, new jobs created are failing to provide a living wage, or existing workers are seeing their hours reduced.
- **The TRU improved for Black workers, but huge disparities remain.** While the TRU for Black workers improved from 30.7% to 30.1%, the rate remains alarmingly high and more than 7 percentage points higher than their White counterparts, which now stands at 23.0%.
- **Women have lost ground while men have made gains.** The TRU for men improved – albeit marginally – from 20.9% to 20.8%, while the rate for women jumped from 28.5% to 30.0%, thus exacerbating an already significant gender gap.
- **Workers with lower educational attainment continue to face a tough job market**, with their TRU rate making a big jump on top of an already high rate. More than half of those without a high school diploma, 51.2%, are unable to find a living-wage job. This is a 4.5 percentage point increase over January.